



BUDGET HIGHLIGHTS

GOVERNOR'S COMMUNICATIONS OFFICE

	Fiscal Year 2005-2006	Fiscal Year 2006-2007
Total Appropriation	\$26.4 billion	\$26.1 billion
State Appropriation	\$11.7 billion	\$12.4 billion

(Remainder: Federal revenues, student tuition fees other departmental revenues).

EDUCATION

Governor Bredesen's original budget proposal added \$232.8 million in new money for education. With additions in the final budget:

- ♦ Full funding of the Basic Education Program \$95.2 million
- ♦ \$42.4 million for teacher pay
- ♦ \$45 million for continued expansion of Pre-K (250 new classrooms)
- ♦ BEP increase for At-Risk/ELL populations of \$35 million
- ♦ \$1 million in Fiscal 2006-2007 toward the establishment of a new Math and Science High School
- ♦ Additional \$2.1 million increase in TSAC grants

HIGHER EDUCATION

A total of 13 capital projects in higher education:

- ♦ \$146.1 million for projects and maintenance at Tennessee Board of Regents colleges and universities, including a new University of Memphis law school
- ♦ \$109.6 million for University of Tennessee projects, including renovation of UT-Knoxville's Ayers Hall and renovation and addition to the UT-Martin Fine Arts Building
- ♦ More than \$12 million in new money to support higher education initiatives, including \$4 million to help the University of Tennessee recruit national academy-level faculty in science and engineering
- ♦ \$39 million operating increase for higher education

JOBS

- ♦ \$26.8 million for jobs package

HEALTH CARE

\$64.9 million for Cover Tennessee and health-related programs:

- ♦ CoverTN - To help working Tennesseans purchase affordable health insurance
- ♦ CoverKids - Providing health insurance to uninsured children in homes with incomes up to \$50,000 annually for a family of four
- ♦ AccessTN - Providing health insurance to adults who cannot obtain insurance because of pre-existing medical conditions

STATE EMPLOYEES:

- ♦ Salary improvements \$200.9 million - Covers 3% across-the-board increase for state employees, 2% for higher education employees and 2% for K-12 teachers
- ♦ Compression adjustments: \$21.1 million
- ♦ Classification compensation adjustments: \$15 million

FY 06 - 07 Budget Highlights

- ♦ \$4.9 million for an Increase in the 401 (K) match to \$40
- ♦ \$3 million for an increase in longevity pay to 30 years
- ♦ Salary bonus of \$350 for each state employee and higher education, plus an amount to be calculated for K-12 teachers: \$42.8 million.
- ♦ Additional salary increases added for rebasing judge's salaries, increasing pay for assistant district attorneys and public defenders

ADDITIONAL:

- ♦ \$24 million restored to local governments in state-shared taxes
 - ♦ \$32.8 million to restore the highway fund
 - ♦ \$7.7 for property tax relief for low income and disabled seniors
 - ♦ Additional sales tax holiday in the Spring of 2007: \$11.4 million
 - ♦ Increase in the Rainy Day Fund to \$496.9 million by June 30, 2007, bringing it to its statutory requirement. This is an addition of \$172.2 million, including \$100m from TennCare reserves.
 - ♦ \$20 million bond issue for acquisition of the Bowater natural area preservation property
 - ♦ \$10 million for the Tennessee Heritage Trust Fund, the public-private foundation Bredesen established in September 2005
 - ♦ \$4 million to begin implementation of a statewide emergency preparedness system
 - ♦ \$3.5 million to help fund existing and create new drug courts for chemically dependent non-violent offenders in Tennessee
 - ♦ \$1.7 million for Child Advocacy Centers
 - ♦ \$4.1 million for the planning phase of a new Lakeshore Mental Health Institute in Knoxville
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FIRST TERM HIGHLIGHTS -

1. **LIVING WITHIN OUR MEANS** — 4 Balanced budgets with no new taxes and controlled spending. Rainy Day Fund at its highest level in history.
2. **FOCUSING ON OUR CHILDREN'S FUTURE** — More than 500 new pre-kindergarten classrooms. Books from Birth in all 95 counties. Raising teacher pay above the Southeastern average. Full funding of the Basic Education Program (BEP).
3. **PROVIDING AFFORDABLE HEALTH CARE** — Affordable, portable health insurance for working Tennesseans through Cover Tennessee. Health insurance for chronically ill adults and children in low-income families. Better management of TennCare and a crackdown on fraud and abuse.
4. **CREATING BETTER, HIGHER-PAYING JOBS** — More than 85,000 new jobs, 1,800 business expansions and \$10 billion in new investment. Job-training programs to help laid-off Tennesseans find new jobs.
5. **MAKING OUR COMMUNITIES SAFER** — A 50% reduction in the number of illegal and toxic meth labs. Resources for law enforcement to combat Internet crimes against children.
6. **PRESERVING TENNESSEE'S OUTDOOR TRADITION** — Elimination of park access fees. Protection of natural resources through the Tennessee Heritage Conservation Trust.